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January 24, 1978
NUMBER 5132.11

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DSAA

Department of Defense Directive

SUBJECT Security Assistance Accounting Center (SAAC)

- References:
- (a) The Foreign Assistance Act of 1961, as amended
 - (b) The Arms Export Control Act
 - (c) Deputy Secretary of Defense Memorandum, "Foreign Military Sales Financial Management," September 9, 1976 (hereby canceled)
 - (d) Joint Memorandum of Agreement between the Defense Security Assistance Agency and the United States Air Force as the DoD Executive Agent for Operation of the Security Assistance Accounting Center, October 5, 1976 (hereby canceled)
 - (e) through (h), see enclosure 1

A. PURPOSE

This Directive establishes the Security Assistance Accounting Center (SAAC) to carry out certain responsibilities of the Secretary of Defense under the Foreign Assistance Act of 1961, as amended, and the Arms Export Control Act (references (a) and (b)). It incorporates the provisions of references (c) and (d), hereby superseded and canceled.

B. FUNCTIONS

1. The Security Assistance Accounting Center will implement the DoD Security Assistance Financial Management Program, performing the following functions:

a. Serve as the central point of contact within the Department of Defense for all Foreign Military Sales-related financial inquiries from U.S. governmental activities and foreign countries and for procedural and operational financial inquiries from DoD Components.

b. Prepare, review, and authenticate all DoD Foreign Military Sales (FMS) bills prior to dispatch to foreign countries. Calculate and assess interest due on delinquent debts and prepare the FMS debt delinquency report for the Department of Defense in accordance with Treasury guidelines.

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c. Evaluate propriety and ensure accuracy of data submitted to SAAC by the DoD Components.

d. Perform trust fund accounting and monitor FMS trust fund balances to ensure adequacy of foreign countries' deposits and prompt reimbursement of DoD Components' appropriations.

e. Consult, advise, and assist foreign government representatives, commercial vendors, the DoD Components, and other U.S. Government agencies on financial arrangements and other matters related to the FMS program.

f. Maintain a centralized, automated, FMS financial data system.

g. Conduct continuing analysis and necessary redesign of FMS financial systems to ensure adequacy, maximum standardization, and simplification.

h. Analyze FMS Letters of Offer and Acceptance to ensure the adequacy of financial arrangements and to assess the impact on DoD appropriations/funds.

i. Provide assistance and guidance to DoD Components and foreign customers relative to the financial execution of the FMS program.

j. Operate the centralized system for DoD-wide FMS forecasting, delivery reporting, billing, collecting, and trust fund management.

k. Serve as the focal point for Reports of Item Discrepancies (ROIDs) related to FMS.

l. Insure adequate interface of FMS DoD-wide logistical and financial systems.

m. Manage and supervise the design and development of SAAC-level FMS systems.

C. RESPONSIBILITIES

1. The Director, DSAA, shall:

a. Furnish overall direction in security assistance matters to SAAC through the Assistant Director for Security Assistance Accounting, DSAA.

b. Participate in the selection and assignment of all key personnel responsible for the management of SAAC and in the disposition of any proposed changes in organizational structure, functions, or responsibilities of SAAC.

2. The Assistant Director for Security Assistance Accounting, DSAA, shall exercise staff supervision over the Director, SAAC.

3. The Director, SAAC, under the supervision of the Assistant Director for Security Assistance Accounting, DSAA, shall:

- a. Direct the Security Assistance Financial Management Program.
- b. Work with the Comptroller, DSAA, to ensure responsive action on information requests from Congress, the National Security Council, Office of Management and Budget (OMB), and other executive agencies.
- c. Coordinate actions, as appropriate, with DoD Components having collateral or related functions in the area of security assistance.
- d. Maintain active liaison with the DoD Components for the exchange of information and advice, as appropriate.
- e. Make full use of established facilities in DSAA and the other DoD Components to avoid duplication.
- f. Obtain from the DoD Components information, reports, and assistance necessary to perform assigned functions, consistent with the policies and criteria of DoD Directive 5000.19 (reference (e)).

4. The Heads of the DoD Components shall provide, within the scope of their assigned functions and upon request from SAAC, appropriate assistance with respect to SAAC functions.

5. The basic responsibilities and functions of the Military Departments, the Joint Chiefs of Staff, and the Unified Commands remain as assigned in DoD Directives 5132.3 and 5105.38 (reference (f) and (g)), except as specifically modified by this Directive.

D. RELATIONSHIPS

1. The Director, SAAC, shall communicate directly with all DoD Components and their reporting elements and, after proper coordination, with other Federal agencies in the discharge of assigned functions and responsibilities.

2. The Director, SAAC, will rely upon the DSAA Legal Counsel and the General Counsel, DoD, for legal support relating to all aspects of the security assistance program.

3. Manpower authorizations and experience/qualification requirements of SAAC personnel are related to the level of FMS financial activity and will be funded by foreign country reimbursements. Executive Agency adjustments of manpower authorizations of SAAC will be coordinated with the Director, DSAA.

E. AUTHORITIES

1. The Department of the Air Force is hereby designated the Executive Agent for operating the DoD centralized billing, collecting, and trust fund accounting system for security assistance. To accomplish

this operation, the Security Assistance Accounting Center is established as a separate organizational component of, and colocated with, the Air Force Accounting and Finance Center, Denver, Colorado.

2. The Director, Air Force Accounting and Finance, is hereby designated Assistant Director for Security Assistance Accounting, Defense Security Assistance Agency, as an additional duty.

F. EFFECTIVE DATE

This Directive is effective immediately.

A handwritten signature in cursive script, appearing to read "C. W. Durnan".

Deputy Secretary of Defense

Enclosure - 1
References, continued

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REFERENCES, continued

- (e) DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," March 12, 1976
- (f) DoD Directive 5132.3, "Department of Defense Policies and Responsibilities Relating to Security Assistance," December 20, 1972
- (g) DoD Directive 5105.38, "Defense Security Assistance Agency (DSAA)," August 11, 1971
- (h) DoD Manual 5105.38-N, "Military Assistance and Sales Manual," August 1973

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